GOVERNMENT OF INDIA
STEEL
LOK SABHA

UNSTARRED QUESTION NO:1155
ANSWERED ON:28.07.2003
RESTRUCTURING PLANS OF SAIL
ADHIR RANJAN CHOWDHURY;BHASKAR RAO PATIL;SHYAMA SINGH

Will the Minister of STEEL be pleased to state:

(a) whether the financial and business restructuring plans of Steel Authority of India Limited (SAIL) has been criticised by Comptroller and Auditor General (CAG) of India;

(b) if so, the details and the facts thereof;

(c) whether the SAIL proposes to review its decision and to take action on various points raised by CAG; and

(d) if so, the details thereof?

Answer

MINISTER OF STATE IN THE MINISTRY OF STEEL

(a)&(b): In the CAG`s report for the year ending March 2002, certain observations have been made regarding slow progress in implementation of the approved business restructuring plan of Steel Authority of India Limited (SAIL). Deficiencies in the disinvestment process and right sizing of manpower as well as unsatisfactory performance by the company are the main issues commented upon.

(c)&(d): The restructuring of Steel Authority of India Limited (SAIL) is an ongoing process. Pursuant to the approval of the Government for restructuring, the company has completed 10 tasks out of 18 identified tasks for implementation in the package. However, due to lack of reasonable offers as well as resistance from various quarters and the employees, there has been delay in some activities.

The implementation of the restructuring package of SAIL is reviewed periodically at various levels in the Government to ensure that the entire process is completed expeditiously.